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The Value of
Commuter Benefits

a growing trend

The value of commuter benefits

By Steve Offutt, U.S. Environmental Protection Agency

*t*he daily commute has become an increasing burden for millions of workers across the country. From major metropolitan centers to small rural towns, many workers' days begin and end with a long and stressful drive. In fact, according to the Texas Transportation Institute's "2005 Urban Mobility Report," the average commuter spends 47 hours each year stuck in traffic. In addition, the cost of fuel and car maintenance is another significant drain. All of this lost time and money puts an unnecessary strain on employees — upsetting their work-life balance. This in turn causes stress and distraction for workers, which can affect a company's bottom line.

A growing number of employers are providing solutions that help their employees save money while enjoying a less stressful commute. These leaders from across the country are distinguishing themselves from the competition by providing superior commuter benefits to their employees — from free bus passes to telework arrangements. These employers are providing a benefit that their employees highly value while reducing traffic on congested roads and preventing air pollution. To recognize these employers for their leadership, the U.S. Environmental Protection Agency (EPA) has created a list of the nation's "Best Workplaces for Commuters."

The Mental, Physical and Financial Strain of Commuting

Work-life and HR professionals are always looking for ways to promote work-life effectiveness, recruit and retain the best employees, and improve employee productivity. Unfortunately, the daily commute is a source of stress for many employees. According to a recent ABC News Poll, 14 percent of Americans say that they've changed jobs, or simply left a job, primarily because of the commute. Employees also are becoming aware of the real costs of driving alone. Including fuel, vehicle depreciation, and other costs associated with owning or leasing a car, a 10-mile round-trip commute costs \$2.20 every day, according to the Victoria Transport Policy Institute.

Recognizing the negative effects of drive-alone commutes, a number of innovative organizations have begun to offer such work-life benefits as telework options, free or subsidized bus passes and compressed workweeks. Work-life and HR professionals at these organizations are proud of the impact their programs have had on employee morale and retention — and on their bottom line.

AstraZeneca, like many other employers that provide work-life benefits, is on the EPA's list of the "Best Workplaces for Commuters."

"Our telework program is essential," said Doris Pudlo, transportation specialist from AstraZeneca in Wilmington, Del. "When we relocated our headquarters from Pennsylvania to Delaware, a critical goal was to retain the employees who lived near our old worksite. Our solution was to establish a commuter benefits program that included telework, flexible scheduling and compressed workweeks. Through these programs, we were able to ease our employees' commutes and improve their work-life balance. Commuting benefits helped us keep talented staff whom we otherwise may have lost."

An Emerging Solution

"Best Workplaces for Commuters" provides distinction and national recognition to employers offering superior commuter benefits that meet the EPA's National Standard of Excellence. Across the country, more than 1,200 employers representing more than 2 million workers have made the list so far. Employers of all sizes are on the list, including more than 60 *Fortune* 500 companies. By meeting the National Standard of Excellence, each of these leaders is demonstrating their commitment to their employees and the local environment.

To meet the National Standard of Excellence, an employer must offer one "primary" commuter benefit, such as a transit

or vanpool subsidy of at least \$30 per month, a strong telework program that reduces the total number of commutes to that employer's worksite by 6 percent, or a parking cash out option through which the employer provides a monthly cash payment to each employee who agrees to give up his/her parking space. The employer must also offer three "supporting" benefits, such as compressed workweeks or carpool matching assistance.

Defining Commuter Benefits

While organizations can offer a wide variety of commuter benefits, a few key benefits can significantly improve work-life balance:

- **Transit and Vanpool Subsidies** provide incentives for commuters to make use of public transit and vanpools instead of driving alone. Riding in a van, bus, train or subway, employees can make use of time that would otherwise be wasted by sitting in traffic. Many commuters work, read, chat or sleep while riding public transit. In fact, one ambitious commuter from Intel in Arizona uses his time riding in a vanpool to study for his master's degree. In addition, by spending commuting time on tasks that they would usually do at home, employees are often happier with the time they are at home.
- **Telework** programs allow employees to work from home. With improving technology, such as the widespread availability of broadband Internet and videoconferencing, employees' presence at the office is becoming less necessary.
- **Compressed Workweeks** reduce the total number of trips an employee takes to work. Instead of working 10/eight-hour days over two weeks, an employee can work nine/nine-hour days and take every other Friday off work. This rewards the employee with a full day off work and saves the hassle of a commute.

When employees take advantage of commuting options such as these, their employers can recognize significant savings. By offering free or subsidized bus passes instead of free parking, employers can reduce payments for leased spots in parking lots. Or, if the employer provides its own parking, it can avoid building new and expensive parking structures to meet demand. Through telework arrangements, employers can reduce the total number of offices they need to provide staff, reducing real estate and maintenance costs.

Success Stories

Transit and vanpool pass subsidies are among the most common commuting benefits that employers provide — and for good reason. They are highly valued by employees, easy

to administer, and can significantly reduce employees' drive-alone commuting. The University of Texas Health Science Center at Houston offers a 100 percent subsidy for transit and vanpool passes, making it clear to employees that they would save a lot of money by leaving their cars at home. The Health Science Center offers further work-life benefits, including telework and compressed work schedules. In exchange for access to all of these commuting options, employees give up their free parking spots.

Telework also saves employees money and time while reducing the number of commuters on overly congested roads. It is also a boon for employers. A study of the "100 Best Companies for Working Mothers" in the *Journal of Managerial Issues* found that companies offering a telework program have better overall profitability than companies that do not offer the benefit.

Eric Reichert, part of the iWork solutions group at Sun Microsystems, knows the value of a strong telework program. Sun's programs have encouraged close to half of its 32,000 employees to give up their assigned desks at the office, saving the company about \$70 million every year in real estate expenses.

The Path to Success

To encourage employees to perform at their best, organizations should ensure that benefits packages meet the EPA's *National Standard of Excellence* and become one of the "Best Workplaces for Commuters."

By offering innovative benefits such as subsidized bus passes, telework opportunities, compressed workweeks, or parking cash out programs, a company will become part of an elite group of employers. The benefits package will distinguish companies from their competition, save the organization money and demonstrate environmental leadership.

If your company already offers commuter benefits and would like to be recognized by the EPA as one of the *Best Workplaces for Commuters*, visit www.bwc.gov/dowequalify. For more information about the recognition, tools and services that Best Workplaces for Commuters offers, visit www.bwc.gov. ■

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